

Testimony
Department of Human Services
Government Services Committee
Senator Ronald Sorvaag, Chairman
April 2, 2014

Chairman Sorvaag, members of the Government Services Committee, I am Alex C. Schweitzer, Director of Field Services for the Department of Human Services (DHS) and the Superintendent of the North Dakota State Hospital. I am here today to testify on the study of the use of structures and property of the North Dakota State Hospital (NDSH).

NDSH Buildings:

The following five tables identify the buildings at the NDSH, total space of the buildings on campus, the used and unused space, and associated costs.

Total Building Space for Administration and Support

Building	Square Footage	Use of Building
Learning Resource Center	40,800	Administrative Offices
Central Receiving	27,100	Receive and store supplies
Tunnels	24,832	Pedestrian Tunnels
Total	92,732	

Total Building Space for Patient Care

Building	Square Footage	Use of Building
LaHaug Building	135,495	Inpatient Hospital for Mentally Ill and Substance Abuse
GM Building	82,670	Sex Offender Evaluation and Treatment
Tompkins Building	34,660	Alcohol and Drug Treatment for DOCR (males)
New Horizons Building	75,485	Alcohol and Drug treatment of DOCR (females)
TL Cottage 77-5 (2208)	3,020	Transitional Living Housing for Mentally Ill and Substance Abuse
Double Garage for TL 2208	676	Garage for TL
TL Cottage 78 (2211)	3,900	Transitional Living Housing for Mentally Ill and Substance Abuse
Community Transition House	3,028	Transitional Living for Sex Offenders
Swimming Pool	6,800	Indoor pool for patient treatment
Total	345,734	

Rental Building Space on NDSH Campus

Building	Square Footage	Use of Building
Superintendent's House	5,552	Community Rental Space
Employee's Building	34,345	Rental Housing for employees of NDSH and JRCC
Cottage 77-1	2,857	Student and emergency housing for employees
Cottage 77-2	2,857	Student and emergency housing for employees
Cottage 77-3	2,857	Head Start Program
Cottage 77-4	3,020	House rented to staff
Double Garage	680	Garage for Cottage 77-4
Cottage 88 and Garage	2,562	House rented to staff with garage
Total	54,730	

Facility Maintenance Buildings

Building	Square Footage	Use of Building
Power House	39,285	Heating plant for NDSH and JRCC
Engineering Warehouse	23,414	Storage of plumbing, electrical and carpentry supplies
Warehouse	6,020	Storage for all Departments
Grounds Warehouse	2,755	Storage of supplies for grounds
Grounds Maintenance	3,200	Grounds shop for repairs/storage
Implement Shed	5,370	Storage of large equipment
Vehicle Maintenance Shop	4,650	Repair shop for equipment/cars
Old Water Plant	4,802	Shop for Mason
Sewage Lift Station	800	Collects sewage for campus
Metal Quonset	3,130	Storage for plant services
Electrical Distribution	1,800	Emergency generator building
Total	95,226	

Unused or Underutilized Buildings

Building	Square Footage	Use of Building
Administration Building	24,675	Vacant – emergency housing if needed for staff and public
16 West Building	39,990	First floor – maintenance shops – three floors vacant
Chapel	13,140	Vacant – use for special occasions
Total	77,805	
Grand Total of Building Space on NDSH Campus	666,227	

The cost of maintaining the buildings at the NDSH has averaged around \$1,000,000 a biennium.

The cost of utilities in the current 13-15 budget for the NDSH is \$1,979,644. The NDSH has contracted with an engineering firm to conduct an independent study on the cost of utilities, the use of a central boiler plant or a decommissioned plant.

Potential Expansion Projects and Building Renovations

Expansion Projects:

The DHS is working with the Department of Corrections and Rehabilitation (DOCR) on a possible expansion of beds for the Tompkins Rehabilitation and Corrections Center (TRCC) on the campus of the NDSH. We are exploring using space in the New Horizons building for a possible expansion of 15 to 20 beds for male inmates at the DOCR, that require alcohol/drug treatment services. This service would be provided by the Hospital, with Hospital staff, through a contract with the DOCR.

The NDSH and James River Correctional Center currently share a warehouse for the receiving of supplies, goods and food. The warehouse is currently located on the grounds of the JRCC and managed and staffed by the NDSH. This management arrangement presents a security issue for the JRCC. We are currently exploring a possible transition of the warehouse operation from the NDSH to the JRCC.

Building Renovations:

The employee building is a four-story building used for rental housing for NDSH and JRCC employees. The basement of the building is utilized for a kitchen and laundry. The building has new windows and the exterior of the building is in good condition. The roof of the building and the mechanical, plumbing and electrical systems are in need of major upgrades. The estimated cost to renovate the building is at least \$3.6 million.

The 16-West building is a four-story building and is occupied on first floor by NDSH maintenance staff. The other three floors are currently empty. The basement is a dirt basement usable only for utilities and storage. The building would require major upgrades in heating, electrical, plumbing and the fire alarm system. In addition, the building needs significant lead paint and asbestos abatement. This building could possibly be utilized for rental space for public or private behavioral health entities, office space, and expansion for the NDSH or the JRCC. The estimated cost to renovate the building is at least \$5.9 million.

The Administration building is a three-story building and has a dirt basement only usable for utilities and storage. The exterior, windows and roof are in good condition. In terms of utilities, the heating system is good, existing wiring is in good shape and some fire codes updates are necessary. The interior three floors are in general good condition, with the first floor being in the best condition. The first floor of the building has been utilized as a shelter for flood evacuees.

The building would need some painting and lead base paint abatement. The building could be used as a temporary shelter for people with disabilities or as an office building. The estimated cost to renovate the building is at least \$500,000. The building is currently empty.

Potential Extraordinary Repairs for 2015–2017 Biennium:

The DHS will begin to prepare its 2015–2017 budget within the next month and will be presenting information on potential repairs to the Office of Management of Budget (OMB) and the Governor’s office.

State Owned Real Estate/Land:

Property Description	Total Acreage	Current Use	Annual Rental Income
Section 6-139-63	369.80	NDSH Campus & Landfill	\$ -
	45.40	Centennial Forest	\$ -
	105.40	Tillable	\$ 13,227.70
	25.60	Alfalfa	\$ 921.60
	2.00	Hay	\$ 40.00
	4.60	Hay – Not Rented	Not Rented
	14.20	Not Rented	Not Rented
Total Section 6-139-63	<u>567.00</u>		<u>\$ 14,189.30</u>
Section 7-139-63	59.60	State Hospital Cemetery & Lagoons	\$ -
	94.90	Tillable	\$ 11,909.95
	36.00	Hay	\$ 792.00
	386.50	Pasture	\$ 9,663.00
Total Section 7-139-63	<u>577.00</u>		<u>\$ 22,364.95</u>
Section 8-139-63	68.20	Tillable	\$ 8,559.10
	11.80	Not Rented	Not Rented
Total Section 8-139-93	<u>80.00</u>		<u>\$ 8,559.10</u>
Section 18-139-63	468.40	Tillable	\$ 58,784.20
	131.70	Pasture	\$ 3,292.00
	15.90	Not Rented	Not Rented
Total Section 18-139-63	<u>616.00</u>		<u>\$ 62,076.20</u>
Section 1-139-64	210.10	Pasture	\$ 100.00
	2.36	North of Buffalo Pasture – Not Rented	\$ -
	147.00	Tillable	\$ 18,448.50
	7.22	Not Rented	\$ -
	8.30	Alfalfa	\$ 298.80
	19.80	Centennial Forest	\$ -
	1.00	Water Tower	\$ 50.00
Total Section 1-139-64	<u>395.78</u>		<u>\$ 18,897.30</u>
Section 12-139-64	299.20	Tillable	\$ 37,549.60
	20.80	Not Rented	Not Rented
Total Section 12-139-64	<u>320.00</u>		<u>\$ 37,549.60</u>
Section 24-139-64	321.10	Pasture	\$ 8,049.00
	1.00	Radio Tower	\$ 50.00
Total Section 24-139-64	<u>322.10</u>		<u>\$ 8,099.00</u>
Section 25-139-64	161.60	Pasture	\$ 4,051.00
Total Section 25-139-64	<u>161.60</u>		<u>\$ 4,051.00</u>
Total Acres and Rent	<u>3,039.48</u>	2,4 Rented Land Reflected Above	<u>\$ 175,786.45²</u>

² The renters are responsible to pay Real Estate Taxes directly to the Stutsman County Treasurer. In 2013 the renters paid \$12,409.11 to Stutsman County for the real estate listed above.

Recommendations:

The following is a potential priority list for the underutilized buildings on the NDSH campus.

1. Funding for major capital improvements to the Employee's Building. This building is used for rental housing for NDSH and JRCC employees. The building is rented both monthly to employees or used during storm periods.
2. If we are able to locate a potential tenant for the building, funding for the minor capital improvements in the Administration Building. The good condition of the building makes it the most attractive underutilized building on campus for a tenant.
3. If we located a tenant or tenants, funding for the 16-West building improvements. In its current state, the 16-West building can continue to be utilized by maintenance staff from the NDSH and possibly the JRCC.

Demolition Plans:

The NDSH has no current plans to demolish any buildings on the campus.

The land managed and rented by the NDSH:

In fall of 2013 the Stutsman County Tax Director estimated the 2,467 acres of farmland currently rented out by the State Hospital had a value between \$4.2 and \$4.9 million. The rental income on the land, as denoted in the table on page seven, is currently at \$175,786 per year. If the land was sold the Department would need to request an additional \$351,572 in general fund dollars each biennium to continue the current operations at the State Hospital. The Department believes the State of North Dakota should consider maintaining some of the land in case there is a future need related to the two facilities on campus.

I would be happy to answer any questions.